

GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE

QUALITY MANAGEMENT SCHEDULE

INSTRUCTIONS AND GUIDANCE
SERVICES ACQUISITION CENTER
1996

WHAT THE QUALITY MANAGEMENT (QM) FEDERAL SUPPLY SCHEDULE (FSS) OFFERS

Downsizing, coupled with ongoing efforts to reinvent Government and comply with the mandates of the Government Performance and Results Act, has caused many agencies to rethink their operations without foregoing quality, value and efficiency.

Through a streamlined procurement process, the General Services Administration's (GSA) QM FSS provides quick access to the industry's leading experts in the theory and practice of quality and performance improvement. These experts offer consulting, training and state of the art products that help move agencies into the future.

A sample of the areas in which QM FSS vendors can provide assistance are:

- ⇒ benchmarking
- ⇒ business process re-engineering
- ⇒ customer surveys
- ⇒ organizational assessments
- ⇒ quality improvement
- ⇒ strategic planning
- ⇒ streamlining

HOW TO USE THE QM FSS

Any questions concerning the use of this FSS should be addressed to the following people at GSA:

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Vendors awarded contracts under the QM FSS have responded to a Request for Proposals (RFP) issued by GSA, and have been technically evaluated. Costs and prices have already been negotiated with each contractor, so the schedule can be easily accessed.

STATEMENT OF WORK (SOW): When your agency determines that it needs the services of an outside consultant or contractor, a program manager should work closely with the procurement office in developing a SOW and should request contractors listed on the FSS to submit a proposal and/or to be interviewed concerning their interest and approach in conducting the work requested. This may also be accomplished by reviewing contractor catalogs. Your agency's internal Quality/Performance Improvement office, or equivalent, should be able to provide information about QM and assist in developing the SOW. Your agency should not request a vendor's assistance in developing the SOW.

PRICE ANALYSIS: Your agency should contact, or review the price lists of, at least three contractors on the FSS and review/discuss the contractor's interest, approach, and costs of performing the work before making a selection. The number of contractors above three that are contacted is up to each agency to determine. Prices have already been negotiated, so you only need to negotiate the amount of time that each labor category will spend performing the SOW, or compare prices for off-the-shelf training courses and deliverables such as video tapes, books, instruction workbooks, etc.

SELECTION: Vendors should be asked for references from organizations where they have helped to implement QM. It is important to check with other agencies who have used the contractors you are interested in. While all of the contractors on the QM FSS are qualified, they have different approaches and diverse personnel. You need to be sure that the contractor you finally select is the one that will best meet the needs and requirements of your agency.

DELIVERY ORDER: When a selection has been made, the agency procurement office prepares and issues a delivery order under the QM FSS. The process is highly streamlined when compared to the normal procurement process used by most Federal agencies. What normally would take months to accomplish through a competitive process can be done in a few short weeks and, in some cases, days.

There is not a prescribed delivery order method. However, it is important to specify all requirements including:

- type of services
- labor categories
- labor rates
- labor hours
- delivery time
- travel and per diem
- other supplies or materials

The delivery order should specify a total, firm-fixed price for the services required. The maximum order limitation under this schedule is \$1,000,000 and the minimum order for most contractors is \$300, but some contractors will accept smaller orders. Prior to issuing a delivery order, your agency will need to negotiate the total number of labor hours with the contractor (i.e., the number of consulting hours or the number of hours for custom-designed deliverables or courses). FAR 8.405-2 and the QM FSS provide additional guidance on placing orders.

To use the FSS, your agency's QM effort must entail the following seven elements found in the President's Award Criteria for Quality Management:

- ✓ Top Management Leadership and Support
- ✓ Strategic Planning for Implementation
- ✓ Focus on the Customer
- ✓ Employee Training and Recognition
- ✓ Employee Empowerment and Teamwork
- ✓ Measurement and Analysis
- ✓ Quality Assurance

There are a number of ways to access the services and products of consultants in the quality field:

- ✓ simplified acquisition procedures
- ✓ interagency or agency specific training requisitions
- ✓ the Federal Supply Schedule
- ✓ internal competitive procurement processes
- ✓ sole-source procurement when requirements for such a procurement can be met
- ✓ another agency's training and consulting resources, either internal or contractual

GUIDANCE FOR DETERMINING APPLICABILITY

GSA provides the following guidance to assist agencies in determining whether a specific requirement falls within the scope of the QM FSS:

Within Scope:

As a general rule, the QM FSS is designed to assist agencies in implementing an organization-wide QM effort. Some technical operations that are prevalent or common to QM are appropriate. Examples of this might include conducting customer surveys, statistical analyses, and cross-function process analyses that are part of an overall QM implementation effort.

Not Within Scope:

The QM FSS should typically not be used for assistance conducting program or technical studies or to other support operations not directly associated with QM implementation. Technical analyses and purchases that are not commonly part of a QM operation, such as development of a management information system, survey of real property holdings, general management analysis/organizational development studies, lease of facilities, purchase of ADP hardware, or ADP software development, are not within the scope of the QM FSS.

Additional factors to be considered include:

- ☞ Is your agency entering into a QM implementation effort with top management involvement, and has a quality infrastructure been planned or established to implement such effort?
- ☞ Is your agency planning to set up quality improvement teams or quality action teams?
- ☞ Does the SOW require the contractor to provide only consultation and facilitation services, training services and/or deliverable products directly related to QM implementation?

If the above questions can be answered **‘YES!’** it is likely that use of the QM FSS to fulfill the requirements is appropriate.

FREQUENTLY ASKED QUESTIONS

- ★ Is this a GSA Federal Supply Schedule (FSS)?

Yes.
- ★ Is my agency required to use this FSS to select a contractor for QM services?

No. You may acquire QM services through your own competitive contract. The Federal Communications Commission is the only mandatory user. All other agencies, the U.S. Postal Service, the Government of the District of Columbia, non-appropriated funds activities, and wholly-owned government corporations may use this schedule on a non-mandatory basis.

- ★ Can my agency just select a contractor from the schedule without further competition?

Costs and prices have already been negotiated by GSA; however, your agency should compare at least three (3) contractors to determine which can meet their requirements at the lowest price, using internal procurement procedures and FAR 8.4.

- ★ How does my agency select a contractor from this schedule?

Generally, orders should be placed with the contractor offering the lowest delivered price available who can meet your agency's needs. Since your agency's needs may be unique combinations of the services available, selection of a contractor based solely on lowest price will be difficult. Additionally, the rates offered by each contractor are frequently not comparable because of the differences in the QM strategies or methodologies offered. Ideally, your agency should describe its needs in a SOW, and then talk with at least three schedule contractors to become familiar with their services and QM approaches in order to find the right "match" for your requirements. If more than one contractor can meet your requirements, then price should be the determining factor.

- ★ How can my agency get a copy of the QM FSS?

The QM FSS is Industrial Group 874, Industrial Class 8742, and is available through the GSA Centralized Mailing List Service in Fort Worth, Texas at (817) 334-5215.

- ★ Why use consultants and/or contractors?

There are several reasons. Among them may be:

Skills, expertise and experience in QM implementation is not available within your organization, is not at the quantity and/or quality needed, or is needed for a short time or on a part-time basis and it is not economical or desirable to set up internal staff on a full-time, permanent basis.

There is a need for an independent and objective third party to provide credibility to the process, make independent and analytical assessments of your agency's readiness for implementation, and monitor its progress--free from organizational pressure, politics, and other internal pressures.

Ultimately, your agency wants to have individual organizational units and managers take responsibility for the quality change process, but it wants to start quickly and not wait until the internal staff has been trained. The consultant/contractor initiates the process and provides training for the managers, facilitator, trainers, and internal consultants so that they can assume full responsibility when ready.

A role model is needed to demonstrate the skills to be learned, the desired attitude toward change, and to provide a real-life example of the following traits or characteristics.

☺ non-judgmental leadership and behavior

- ☺ blaming the process, not the people, for problems identified
- ☺ openness to new ideas and concepts
- ☺ ability to look at opportunities for improvement without bureaucratic defensiveness
- ☺ deals with mistakes and errors as teaming opportunities

★ When should consultants and/or contractors be used in QM implementation?

It depends on the needs of your organization. Consultants are usually used to:

- ☺ generate awareness and interest in quality management
- ☺ provide advice and assistance on how to implement
- ☺ assist your agency in the implementation process and/or in developing in-house skills to create independence

It is important for your agency to be clear on what it wants from a consultant or contractor, having identified and conceptualized the process and roles that the following parties will play:

- Top, Middle and First-Line Management
- Employees
- Union Officials
- Internal Change Agents
- Quality Council
- Project Improvement Teams
- Other Infrastructure in Quality Process
- Facilitator/Trainer
- Other
- Contractors
- Suppliers to the Agency
- Customers to the Agency

★ Should a full-service QM contractor be utilized, or one or more contractors to do specific segments of the process?

The trade-off to be considered is dealing with one contractor versus obtaining experts in specific segments of the improvement process.

★ Should my agency contract on an incremental basis or for the full task?

The trade-off here is whether your agency is cautious about committing itself to a large contract before it is certain that it has the full commitment of everyone in the process and that the contractor is fully qualified to provide the required services and products. Balance this against whether the procurement and budgetary processes your agency follows take a long time for approval and/or are too complex to do on an incremental basis.

A middle-of-the-road option to consider would be to contract for the full implementation, but to include review and approval steps in the contract at the completion of increments throughout the implementation process before proceeding to the next stage.

- ★ Where does my agency look for consultant/contractor help?
- National, Regional, and Local OPM Training Centers.
 - National, Regional, and Local Federal agencies already on the QM journey -- particularly agencies who have been recognized for their efforts through the Federal Quality Awards Program as well as agencies such as GSA and OPM, who provide training to other agencies.
 - FSS contractors who are certified as quality experts and are available through a streamlined process with only limited competition.
 - Academic and private sector consultants and trainers who have developed a reputation in the field but are not currently on the FSS.
 - Private sector firms who are implementing quality improvement within their organizations. This category includes Baldrige Award winners and nominees.

- ★ If the contractor is required to travel, how should it be handled under this FSS?

Travel and per diem are reimbursed in accordance with the items and rates allowable under the Federal Travel Regulation (FTR) for reimbursement to Federal employees. Invoices for travel reimbursement shall be calculated and expressed in terms of that regulation. The contractors may be reimbursed for actual air carrier fares, when obtained at the lowest available rate, upon certification to your agency's Contracting Officer that they were unable to obtain Government rates.

- ★ Can my agency issue Blanket Purchase Agreements (BPAs) with the schedule contractors?

Yes. BPAs are allowed under this FSS. They may be used in order to reduce administrative costs by eliminating the need for individual delivery order documents. FAR 8.406 and 13.2 and the QM FSS provide guidance on establishing BPAs.

- ★ Where can my agency obtain information about the services and QM approaches of each contractor?

You may request a catalog and/or price list for a few firms, which will contain information about the firm, their QM strategies, the line items awarded under their contracts, prices, and the terms and conditions negotiated with GSA. Most firms will provide introductory briefings free of charge when requested, and some will offer free introductory seminars.

- ★ Some of the QM Schedule contractors offer free one-day seminars with meals and refreshments. Can an agency attend since meals are included?

While agencies may attend the seminars, you should consult your ethics or legal office about whether you will be allowed to accept the meals and refreshments.

WHAT TO CONSIDER PRIOR TO PLACING AN ORDER

First, consider the following, specific to your agency:

- availability of funds to cover the cost of the proposed work
- prohibition on using consultants or service contracts unless full-time career staff is not able to perform the required work
- need for line item or general budget designation of funds
- prior approval of the request by a central agency or review board
- requirement to contract with a minority-owned and/or small business

Then, note that there are an increasing number of consultants and contractors to choose from who are skilled and experienced in helping organizations implement QM improvements; however:

- QM is a relatively new field and, particularly with the downturn in other Federal contracting, many consultants/contractors are apt to jump on to the QM and Reinventing Government bandwagon. Not all of them are qualified. Beware of those who have little knowledge and/or experience in the field!
- Some have repackaged older management improvement products and have little or no knowledge of an integrated quality improvement process. These firms may be experts in a particular field, such as team building, facilitation, measurement and analysis, quality assurance, etc., but have little or no knowledge on how all of these disciplines form a quality improvement process. Select contractors who are knowledgeable of the full scope of QM and who have solid experience in QM implementation.
- A firm may be knowledgeable in QM, but have poor consulting or training skills.
- Some may have private sector, and more specifically, manufacturing experience, but do not have any public sector or service experience. While this should not arbitrarily be used to rule out a given consultant/contractor, a careful review should be done to make sure that they would be able to adapt to and fully understand the public sector environment.
- Some consultants will not adapt their program to your agency's environment, but expect your agency to adapt to their process. Do not waste your time trying to convince the firm to revise their materials or their approach to meet your needs.
- Ask the firm to provide you with resumes of key staff that will be assigned to the project, and ask to meet them so that you can be sure that they are compatible with the teams and managers that they will be working with. Sometimes the "chemistry" just doesn't work. It's better to find that out before your agency is committed.
- Some consultants may bid a job with a list of staff available to the agency, then switch to a less experienced staff, either immediately or after the project is underway. Check out this practice by surveying each firm's prior service record. Skills of consultants can vary widely.

- Look out for management and technical consulting firms that have recently branched out into the QM field from other areas of expertise, and treat them as new contractors in the field until they have proven their expertise.
- Don't expect to find a consultant with exact experience to fit your agency. Instead, look for contractors that have general, relevant expertise and are flexible in adapting to their customer's environment.
- Watch out for consultants who sell quick solutions. The quality improvement road is a long one and there are few shortcuts.
- Be aware of the effect the change process has on your agency and its people. The contractor may be criticized for poor performance when really there is discontent with management, team members, or others. Investigate criticism before taking action against the contractor.
- Small firms may need to expand their staff and resources to meet new demands. Ask how the firm will handle this possibility, and how it could affect your agency.
- Select firms who will build the skills of QM within your agency, thus creating empowerment.
- Consider contracting on an incremental basis. Contracting for all of the services at once may save procurement effort and time, but you could make each phase dependent on the successful completion of the previous one, thus limiting your financial liability if there is a loss of your agency's commitment to continue, a poor job done by the contractor, or other factors that may negatively influence the continuation of the process.
- Ask firms if they have implemented QM in their own organizations -- do they practice what they preach?
- If a firm practices quality, customer satisfaction should be a major concern. Ask their philosophy and how that works for you -- for example, will you get money back if not satisfied?
- Ask if the firm charges for the use of copyrighted material. If so, determine what the cost is prior to being asked to pay for something you did not expect.
- Ask if the firm intends to use subcontractors. If so, find out who they are and put them through the same review process as the prime contractor. Have a process set up to approve changes and additions to key personnel and to each subcontractor used under the contract.
- Conduct prior service surveys. Contact other agencies and ask what their experience has been with the firm and how the firm handled any disputes that arose over interpretation of the SOW, delivery schedule, costs, products, services, or other portion of the contract. Then, determine if the references reflect only a few staff members or they are an indication of the management and technical capability of the firm as well as the technical expertise of its staff.

CONTRACT ADMINISTRATION AND MANAGEMENT

- ⇒ Your agency should not abdicate to the consultant its responsibility for making decisions regarding internal and/or external policies and practices, as your agency may become dependent on contractor support and leadership through their own abdication or through an effort by the contractor to keep your agency dependent on them.
- ⇒ Don't use the contractor's resources to collect information or do other work that can be done more easily and less expensively by your in-house staff. Monitor the contractor's performance to make sure that managers, teams and employees do not use the contractor's time on marginal and/or unrelated issues and tasks.
- ⇒ Once selected, some contractors may suggest additional work in other areas or by an extension of current services. Be sure that this additional work is necessary before agreeing to supplements to the original contract.
- ⇒ Unless the consultant is introduced to your agency by management, and the consultant's role is properly explained, the consultant could be seen as a threat to staff, perceived as the cause of additional work, or looked upon as an agent of management. Such cynicism, uncertainty, and speculation regarding the consultant will impair their effectiveness and the success of the improvement effort. Some agencies have addressed this issue by having the Quality Council or top management participate in the interview and selection of the contractor. This usually insures commitment and support to the consultant when the work begins.
- ⇒ To insure success, consider contractors part of the team and provide them with information and access needed to accomplish their tasks. They need to be involved in the change process so they are aware of issues and problems facing the agency. Multiple contractor's efforts should be coordinated so they work with your agency as one improvement team.
- ⇒ Learning new skills is an important part of implementing a continuous improvement process. If agency personnel are trained and tasked with the responsibility of collecting data, analyzing it, and using it in decision-making, this will help develop a strong commitment to change.
- ⇒ Resist thinking that you need to contract most of the work out to a consultant because your agency is too busy, as this serves to decrease teaming and skills, and in most cases, when the consultant leaves, the knowledge and skills for producing results leave, and there is no opportunity for continuous improvement.
- ⇒ Some contractors may fear what the impact could be on their current and future business if they are totally open and frank about your performance in implementing QM. As with all other participants, contractors should be encouraged to speak openly and to alert the agency when they think the implementation process is not proceeding appropriately. If they appear reluctant to do so, you should reconsider the value to your agency in retaining their services.

THANK YOU FOR CONSIDERING
THE GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SCHEDULE FOR
QUALITY MANAGEMENT IMPLEMENTATION